TRADEMARK BULLYING

COMMENTS TO USPTO

Submitted by: Karen Voght, President, Wellness, Inc., by her trademark attorney, Stacey C. Friends, Esq., Ruberto, Israel & Weiner, PC, 100 N. Washington St., Boston, MA 02114, 617-742-4200, sfriends@riw.com.

1. Please identify whether you are a trademark owner or practitioner, and the general size and nature of your business or trademark practice, including the number of trademark applications and registrations your business has, or your practice handles. Please note that the USPTO will fully consider any comments you submit, even if you choose not to identify yourself in a particular manner.

   Wellness, Inc., ("Wellness") is a small company that promotes literacy and wellness skills for young children ages 3-8. Wellness is owner of approximately twelve trademarks which represent the various goods and services provided by Wellness designed to educate and help keep young children healthy. Wellness partners with and educates through non-profits, and is also a President's Challenge program. More information about Wellness can be found at www.alphabetfitness.org.

   2. In approximately the last 5 years, please describe any instances of which you have first-hand knowledge where a small business may have been the target of litigation tactics attempting to enforce trademark rights beyond a reasonable interpretation of the scope of the rights granted to the trademark owner.

   In conjunction with its educational programs, Wellness provides games which are designed to help children learn letters and words, while moving their bodies. Some of the games have mats upon which the children must position themselves, and some have dice to roll with the letters represented as physical positions the children then take to form letters. In some of the games played with groups of children, at YMCA programs for example, the children work collaboratively to spell words with each of them representing a letter. All of Wellness' games follow this kinesthetic-literacy protocol.

   In 2008 Wellness began creating a literacy-fitness game it planned to call "Soxercise." The game was conceived to have actual socks which would have words on them. The game was to include instructions for children to move into different positions and form letters from those words, form sentences with the other players with their socks, etc. Wellness' attorney conducted a search of the USPTO database and found no marks of serious concern, and on June 30, 2008, Wellness applied for the trademark "SOXERCISE" on an Intent to Use basis with the USPTO. The examining attorney found no conflicting marks and after a slight revision to the identification of goods, the application was approved for publication.

   On December 18, 2008, the Boston Red Sox Club LP and the Chicago White Sox Ltd. filed a joint Request for an Extension of Time to Oppose Wellness' mark. Wellness and its attorney corresponded several times with the attorney for the Opponents, providing

information about Wellness and what it does, the proposed stylization of the SOXERCISE mark and tagline, and information about the proposed game and how it would work. On May 12, 2009 Applicant finally received proposed settlement terms from the Opponents, but in light of the impending deadline to oppose the Opponents filed its Notice of Opposition on May 14, 2009, but on May 15, 2009, Opponents also filed a Motion to Suspend the Proceedings pending settlement negotiations.

Wellness reviewed the proposed terms from the Opponents and thought them quite overbearing considering the nature of Wellness' business and programs, the nature of the game and the mark itself. However, being a small business and not in a position to defend the opposition against such large, well-funded Opponents, Wellness responded to the Red Sox proposal on May 29, 2009, and despite strong reservations, it agreed to the major terms, which included a requirement that Wellness withdraw its application for SOXERCISE. Wellness did request some practical and minor revisions to some of the terms. Unfortunately then began a period of a year and three months of waiting for the Opponents to approve those terms or offer a counter proposal, despite numerous requests from Wellness' attorney. Opponents requested and Wellness granted four additional Motions to Suspend the Proceedings Pending Settlement Negotiations. Wellness agreed to the suspensions because the alternative was that the proceedings would commence and Wellness would be forced to file an Answer. Finally, on August 13, 2010, the TTAB noted the "numerous extensions" and required that the parties thereafter submit a report on the progress of their settlement negotiations or the proceedings would commence. That seemed to spur the Opponents to action and the Settlement Agreement was signed by the parties on August 18, 2010, filed with the TTAB on September 7, 2010, including the withdrawal of Wellness' application, and the proceedings terminated on September 9, 2010.

Wellness spent approximately $5000.00 on this opposition against a mark which in its opinion, and that of the PTO examiner, would never have caused consumer confusion with any of the Red Sox or White Sox mark. This cost was very burdensome on this small company. But Opponents are huge and Wellness is small, and as the game was not even in production yet, so Wellness submitted.

3. Please describe situations where you have been involved in receiving a cease-and-desist letter. Anecdotal information might include, but is not limited to, a description of whether the letter resulted in the small business ceasing its use of one or more marks, or whether the sender of the cease-and-desist letter withdrew or abandoned its demands against the small business owner.

Not applicable to this client.

4. Please describe situations where you have been involved in trademark litigation in state or federal courts. Anecdotal information might include, but is not limited to, a description of whether the lawsuit settled on the basis of the small business agreeing to cease its use of one or more marks, or on the basis of the plaintiff withdrawing or abandoning its

trademark-related allegation(s). Alternatively, relevant information might include whether such lawsuits resulted in a court judgment and the nature of the judgment (such as requiring the small business to cease its use of one or more marks, assessing monetary liability (damages, lost profits, or attorneys' fees) against the small business, requiring the plaintiff to pay the defendant's attorneys' fees, or imposing sanctions against the plaintiff under Rule 11 of the Federal Rules of Civil Procedure).

Not applicable to this client.

5. Please describe situations where you have been involved in opposition/cancellation proceedings instituted at the USPTO against small business owners. Anecdotal information might include, but is not limited to, a description of whether the proceedings settled on the basis of the small business agreeing to abandon its application(s) for one or more marks, or whether the proceedings settled on the basis of the plaintiff withdrawing or abandoning its notice of opposition or cancellation petition. Alternatively, relevant information might include a description of whether such proceedings resulted in a decision by the USPTO Trademark Trial and Appeal Board ("TTAB") refusing to register/canceling one or more marks owned by the small business, or whether such proceedings resulted in the TTAB imposing sanctions against the plaintiff under Rule 11 of the Federal Rules of Civil Procedure.

See #2 above.

6. Do you think trademark "bullies"[1] are currently a problem for trademark owners, and if so, how significant is the problem?

The problem is definitely significant. Trademark bullying through monetary intimidation and legal threats not only limits potential development of numerous creative products and services much needed in all societies, but its misuse also allows affects free speech and the use of descriptive terms. In the case involving Wellness, a two baseball teams succeeded in preventing the use of the word, "Soxercise" for a children's literacy-fitness game involving actual socks, because the smaller trademark applicant could not afford to defend itself and its proposed mark. In the Settlement Agreement, the list of marks off-limits to Wellness going forward was a veritable dictionary of terms, many of which are not immediately identifiable as trademarks of either team, or are descriptive and in our opinion, unprotectable terms.

7. Do you think aggressive litigation tactics are more pervasive in the trademark area than in other areas of the law?

No comment.

8. Do you think the USPTO has a responsibility to do something to discourage or prevent trademark bullying? If yes, what should the USPTO do?

Yes, it would be helpful to smaller business owners. In the case discussed above, the TTAB did eventually somewhat reprimand the Opponents and issued an ultimatum to settle or move forward, or alternatively required that they file a Report explaining the status of the negotiations, but when there is such a disparity between the parties it seems like they could have intervened earlier by requiring a better showing by Opponents. Perhaps when this type of situation seems apparent, there could be something akin to a special "Bullying Prevention Board" to screen such cases and request more information from the Opponent.

9. Do you think the U.S. courts have a responsibility to do something to discourage trademark bullies? If yes, what should the U.S. courts do?

Perhaps a procedure akin to a summary judgment hearing would be helpful to fast-track or cut short any litigation where the Plaintiff is a large company and the Defendant small and the likelihood of confusion claim weak.

10. What other U.S. agencies may have a responsibility to do something about the problem?

Perhaps FTC involvement is also appropriate.

11. Do you think Congress has a responsibility to do something to discourage or prevent trademark bullying? If yes, what should Congress do?

This is a difficult question. The bullies we have encountered are emboldened by the TDRA. Dilution is a sound concept but is often misused to overreach reasonable trademark rights. This topic perhaps warrants further discussion.

12. Please provide any other comments you may have.